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Attorneys for California Department of Water
Resources, by and through the State Water Project

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:
PG&E CORPORATION

- and -

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | Affects PG&E Corporation |
| <input type="checkbox"/> | Affects Pacific Gas and Electric Company |
| <input checked="" type="checkbox"/> | Affects both Debtors |

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

Date: March 2, 2022
Time: 10:00 a.m.
Crm: 17
Judge: Dennis Montali

**NOTICE OF HEARING ON CALIFORNIA DEPARTMENT OF WATER RESOURCES'
MOTION FOR ORDER DETERMINING THAT THE CASTLE ROCK AGREEMENT
WITH PG&E CANNOT BE ASSUMED AND THAT THE DEPARTMENT OF WATER
RESOURCES' CLAIM NO. 78104 BE PAID**

1 **TO ALL INTERESTED PARTIES AND TO THEIR COUNSEL OF RECORD:**

2 **NOTICE IS HEREBY GIVEN** that California Department of Water Resources (“DWR”)
3 has filed a Motion for Order Determining that Castle Rock Contract was Terminated Prior to the
4 Petition Date and Cannot be Assumed and to Determine Department of Water Resources Claim
5 No. 7276 (the “Motion”).¹ The Motion will be heard on March 2, 2022, at 10:00 a.m. or as soon
6 thereafter as counsel can be heard, in the Courtroom of the Honorable Dennis Montali, United
7 States Bankruptcy Judge.

8 The Motion requests an order as follows:

9 1. DWR’s cotenant interest in the Castle Rock Agreement terminated on its own terms,
10 effective August 1, 2019, based on DWR’s July 30, 2018, written notice to Pacific Gas & Electric
11 Company (“PG&E”) and the other cotenants to the Agreement;

12 2. The terms of the Castle Rock Agreement did not require that DWR pay for any
13 future estimated costs of removing the transmission line before its termination from the Agreement
14 could become effective;

15 3. Because DWR’s termination of its cotenant interest in the Castle Rock Agreement
16 became effective on August 1, 2019, it is not an executory contract that could not have been
17 assumed by Co-Debtors PG&E and PG&E Corporation in connection with Plan and Confirmation
18 Order on June 19, 2020;

19 4. DWR’s proof of claim No. 78104 in the principal amount of \$101,026.75 for a
20 refund of prepaid annual operating and maintenance expenses under the Castle Rock Agreement
21 should be paid with post-petition interest under the Plan;

22 5. The arbitration provisions contained in the Castle Rock Agreement do not preclude
23 the Court from determining whether DWR’s proof of claim should be paid; and

24 6. For such other and further relief as the Court deems just.

25 **NOTICE IS FURTHER GIVEN** that any opposition or response to the Motion must be
26 in writing, filed with the Bankruptcy Court, and served on the counsel for DWR at the above-

27 _____
28 ¹ Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed in the Motion.

1 referenced addresses so as to be received by **no later than 4:00 p.m. (Pacific Time) on February**
2 **16, 2022.** Any opposition or response must be filed and served on all “Standard Parties” as defined
3 in the Second Amended Order Implementing Certain Notice and Case Management Procedures
4 entered by the Court on May 14, 2019 (Dkt. 1996). **Any relief requested in the Motion may be**
5 **granted without a hearing if no opposition is filed and served in accordance with the Case**
6 **Management Order.** In deciding the Motion, the Court may consider any other document filed in
7 these Chapter 11 cases and related Adversary Proceedings.

8 Pursuant to the Bankruptcy Court’s *Eighth Amended General Order No. 38 In re:*
9 *Coronavirus Disease Public Health Emergency*, effective December 1, 2021, and until otherwise
10 ordered, **all hearings shall be conducted by video or teleconference. The Courtroom will be**
11 **closed.** All interested parties should consult the Bankruptcy Court’s website at
12 www.canb.uscourts.gov for information about court operations during the COVID-19 pandemic.
13 The Bankruptcy Court’s website provides information regarding how to arrange a telephonic or
14 video appearance. If you have any questions regarding how to appear at a court hearing, you may
15 contact the Bankruptcy Court by calling 888-821-7606 or by using the Live Chat feature on the
16 Bankruptcy Court’s website.

17 **NOTICE IS FURTHER GIVEN** that copies of the Motion and its supporting papers can
18 be viewed and/or obtained by contacting the undersigned or (1) accessing the Court’s website at
19 <http://www.canb.uscourts.gov>, (2) contacting the Office of the Clerk of the Court at 450 Golden
20 Gate Avenue, San Francisco, CA 94102, (3) contacting the Debtor’s notice and claims agent, Prime
21 Clerk LLC, at <https://restructuring.primeclerk.com/pge> or by telephone (844) 339-4217 for U.S.
22 based parties, or (929) 333-8977 for international parties or by email at pgeinfo@primeclerk.com.
23 Note that a PACER password is needed to access documents on the Bankruptcy Court’s website.

24 **NOTICE IS FURTHER GIVEN** that your rights may be affected. You should read these
25 papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If

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1 you do not have an attorney, you may wish to consult one.

2 Dated: February 1, 2022

Respectfully submitted,

3 ROBERT BONTA, SBN 202668
Attorney General of California
4 DANETTE VALDEZ, SBN 141780
ANNADEL ALMENDRAS, SBN 192064
5 Supervising Deputy Attorneys General

6
7 By: /s/ Paul J. Pascuzzi
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8 FELDERSTEIN FITZGERALD
WILLOUGHBY PASCUZZI & RIOS LLP
9 Attorneys for California Department of Water
Resources, by and through the State Water Project
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I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is 500 Capitol Mall, Suite 2250, Sacramento, CA 95814. On February 1, 2022, I served the within documents:

By Electronic Service only via CM/ECF.


Susan R. Darms